IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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C.W.P. No.4688 of 2006
Date of Decision:20.03.2007

Ambala Foods Private Limited, Dal Mandi, Ambala Cantt.
.....Petitioner

Vs.

Haryana Financial Corporation, Chandigarh
.....Respondent

CORAM:- HON'BLE MR. JUSTICE M.M.KUMAR
HON'BLE MR. JUSTICE RAJESH BINDAL

Present:- Mr. Vijay Sharma, Advocate for the petitioner.

Mr. Kamal Sehgal, Advocate for the respondent.

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M.M.Kumar, J.

On 13.3.2007, the petitioner had made a proposal to settle the whole amount by paying total sum of Rs. 80 lacs in instalments spread over six months to one year, subject to adjustment of Rs. 16.5 lacs which was deposited by it in pursuance to order dated 26.5.2006 passed by this Court. Earlier the whole dispute was settled for an amount of Rs. 78 lacs by adding interest upto 21.12.2005 conveyed to the petitioner vide letter dated 29.12.2005 (Annexure P.21). It was at that juncture that request by learned counsel for the respondent was made to seek instructions.

In pursuance to afore-mentioned order, Mr. Sehgal, learned counsel for the respondent has placed before us a communication dated 20.3.2007 from the respondent- Corporation permitting him to make a statement that the respondent is agreeable to revive the settlement if the petitioner deposit a sum of Rs. 63,69,255/- more upto 28.3.2007 besides Rs. 16.50 lacs already deposited with the Corporation and Rs. 4.94 lacs received by it as upfront fee.

After hearing the learned counsel for the parties, we are of the view that the condition of depositing the amount of Rs. 63,69,255/- by 28.3.2007 is stringent and it may not be possible for the petitioner which is a non working unit to meet the deadlines. It has been stated by the counsel for the petitioner, after obtaining instructions from Mr. Subhash Chandra

that an amount of Rs. 3,69,255/- shall be deposited on or before 30.3.2007. Balance amount of Rs. 60,00,000/- shall be deposited in 12 monthly instalments in the sum of Rs. 5 lacs as principal amount plus simple rate of interest at the rate of 10.5%, which was to be charged as per settlement Annexure P.21. The amount of instalment shall be paid by 5th of every month commencing from 5th of May, 2007. In case of default, the whole amount would be payable and the respondent shall be entitled to recover the same. The settlement which was agreed by the respondent- Corporation vide letter dated 29.12.2005 (Annexure P.21), stands modified in above terms.

The writ petition stands disposed of accordingly.

(M.M.KUMAR)
JUDGE

March 20, 2007 **(RAJESH BINDAL)**
renu **JUDGE**